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March 2010 Monthly Report for MTC

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Re: Monthly Report for March 2010

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Jobs Bill and Surface Transportation Extension Update

On March 18, President Obama signed into law H.R. 2847, the HIRE Act, which includes an extension of surface transportation authorization law (SAFTEA-LU) and Highway Trust Fund (HTF) spending authority through December 31, 2010. This is the fifth extension of SAFTEA-LU since it expired on September 30, 2009.

The House first passed the bill in December 2009 with much greater funding, including \$37.3 billion in stimulus money for transportation projects. The Senate stripped most of the funding out of the bill and approved the scaled-down measure in February 2010. The House passed the measure a second time on March 4, 2010 after nearly doubling additional federal subsidies for Build America Bonds from \$2.5 billion to \$4.6 billion and making some other changes unrelated to transportation. This version was passed by the Senate and sent to the President.

The HIRE Act contained seven transportation provisions which are detailed below:

1. Extend SAFETEA-LU through December 31, 2010.
2. Deposit \$19.5 billion into the HTF to keep it solvent into next year. The \$19.5 billion is a “reimbursement” from the General Fund for interest payments not received since 1998.
3. Restore \$8.7 billion in highway contract authority to states that had been rescinded at the end of Fiscal Year 2009.*
4. Fund the federal highway program’s contract authority for FY 2010 at \$42 billion (up from \$30 billion), returning the program to FY 2009 funding levels.
5. Provide \$4.6 billion in additional federal subsidies for Build America Bonds.
6. Allow the HTF to collect interest on its deposits (future receipts for HTF).
7. Restructure government fuel-tax exemptions so future payments come out of the General Fund, not the HTF — increase HTF money available for highway and transit projects in future years.

Projects of Regional and National Significance and National Corridor Improvement Program Provisions/Federal Airline Administration Extension

House Transportation and Infrastructure (T&I) Committee Chairman Jim Oberstar (D-MN) objected to formula provisions in HIRE when the House considered Senate amendments on March 4; however, he agreed to support the bill on the condition that his modifications be considered later.

Congressman Oberstar’s proposed modifications would distribute the FY 2010 funding for projects of regional and national significance and the National Corridor Improvement Programs among all 50 states based on each state’s share of FY 2009 funds. The current language in the HIRE Act would distribute the \$932 million in funds available during the term of the extension only to states that had earmarks under the programs in SAFTEA-LU. Four states (California,

* Although this guarantees less than one dollar in restored funds to California, it could potentially mean a restoration of \$795 million federal dollars (depending upon how California dedicated formula obligation limitation dollars). (specific numbers available from a Transportation Weekly October 1, 2009 Update)

Illinois, Louisiana, and Washington) would receive 58 percent of the funding and 22 states would receive nothing. Oberstar's bill would also distribute additional highway formula funds provided for FY 2010 among all 13 of the highway programs rather than among just six of the programs, as the current HIRE Act language would require.

These provisions were included in a House-passed three-month extension of the Federal Aviation Administration (FAA) authority, from March 31 through July 3, 2010. A number of specific constitutional issues delayed the Senate passage of the House-passed bill, and as a fallback measure, the Senate downsized the short-term extension from three months to one month and dropped Congressman Oberstar's highway formula changes. This revised one month extension went to the President on March 26.

Transportation Authorization Updates

Administration's Transportation Authorization Principles

Earlier this month, Transportation Secretary Ray LaHood said that the Obama Administration wants to move forward with a "comprehensive, robust transportation bill." In an effort to move forward, the Administration has announced intent to release their principles for the multi-year authorization within the next 90 days.

Senate EPW Committee Focuses on Transportation Authorization

Senate Environment & Public Works Committee (EPW) Chair Barbara Boxer (D-CA) has repeatedly voiced her commitment to authorize a new transportation bill — Moving Ahead for Progress in the 21st Century, or MAP-21 — this year. She expects to work within the timeframe of the December 31 SAFTEA-LU extension. Chair Boxer supports inclusion of programs similar to Build America Bonds and the TIGER grants in the next transportation authorization.

In addition, EPW is holding a series of full committee hearings to jumpstart this authorization. The hearings have focused on transportation policy in relation to the economy (job creation and retention); partnerships between local, state, and federal governing bodies; energy and the environment; and rural/urban America. MTC Chair Scott Haggerty offered testimony on behalf of the National Association of Counties (NACo) at the March 18 EPW hearing entitled "Mobility and Congestion in Urban and Rural America."

Chair Haggerty testified to the importance of regional and local planning processes, even if this requires more capacity and funding. He also stressed the value of incident management in congestion mitigation, the need for adequate funding for rural transportation infrastructure, and he advocated for the inclusion of a Metropolitan Mobility Program in the next transportation authorization.

Authorization Funding Discussions

The Administration has reiterated their stance that they do not currently support a gas tax increase as a funding source for the transportation authorization. The need for a revenue source to fund the transportation bill has been acknowledged in the Senate. During Senate EPW hearings, a number of witnesses have given testimonies suggesting that the revenue should come, at least in the short term, from an increase in the gas tax.

In the last week of March, House T&I Chair Oberstar broached the idea of increasing the gas tax by as much as 15 cents after the economy rebounds. This plan includes a \$130 billion loan to the HTF for immediate investment in transportation projects. The trust fund would then have roughly four years before it would need to begin repaying the loans, which lawmakers would do by increasing the current 18.4-cents-per-gallon federal tax on gasoline. Other funding ideas that have been floated by various members of Congress include a per-barrel oil tax and a “carbon tax” attached to a climate bill that could be used, in part, to fund the HTF.

MTC March Legislative Trip

MTC Commissioners Scott Haggerty, Adrienne Tissier, Steve Kinsey, Bill Dodd, Amy Worth, and Jon Rubin joined MTC Staff Ann Flemer and Randy Rentschler in Washington, D.C. for the annual March legislative trip. Between March 15 and 17, the Commissioners and MTC Staff met with 11 of the 12 members of the Bay Area delegation. They were joined by the 12th member, Senator Barbara Boxer, at the MTC co-sponsored California reception *Transportation: California’s Economic Recovery Engine*. They participated in three briefings (open to Bay Area partners) with Congressional Committee staff, and met with two members of the Administration. They discussed the upcoming transportation authorization policy and funding — focusing on MTC’s recommendations highlighted in MTC’s Thirty-first Annual Report to Congress titled *Transportation Investment: America’s Economic Recovery Engine*. Other broad discussion topics included MTC initiatives in each Congressional district and the Administration’s livability and sustainability initiatives.

California Transportation Reception

On March 16, MTC co-hosted the well-attended California transportation reception, *Transportation: California’s Economic Recovery Engine*, held in the historic Cannon Caucus room. MTC’s Chair Scott Haggerty welcomed guests and later introduced the reception speaker, Senator Barbara Boxer, Chair of Senate EPW Committee. Federal Transit Administrator Peter Rogoff and Los Angeles Mayor Antonio Villaraigosa also addressed guests, who included members of the California transportation and business communities, Capitol Hill staff, members of Congress, and members of the Administration.

March Meetings

Meetings with Members of the Bay Area Delegation:

- Speaker Nancy Pelosi (Met with Speaker Pelosi’s staff: Robert Edmonson and Erik Stallman)
- Congressman John Garamendi
- Congressman Pete Stark
- Congresswoman Zoe Lofgren
- Congressman Mike Honda
- Congresswoman Lynn Woolsey (Commissioner Kinsey met separately with Congresswoman Woolsey)

- Congressman Mike Thompson (Met with Congressman Thompson’s Legislative Director, Jonathan Birdsong)
- Congresswoman Anna Eshoo
- Congressman Jerry McNerney
- Congresswoman Jackie Speier
- Congressman George Miller
- Senator Dianne Feinstein (met with Senator Feinstein’s transportation staffer, Matt Nelson)

Other Meetings:

- *Congressman Earl Blumenauer (D-OR)*
Commissioner Kinsey, Tom Bulger, and Georgia Gann met with Congressman Blumenauer and his Chief of Staff James Koski. Discussion topics included transportation authorization, a per-barrel oil fee as a possible funding source, and his Green Routes to Work legislation. Congressman Blumenauer sits on the Ways and Means Committee.
- *Congressman Peter DeFazio (D-OR)*
Commissioners Scott Haggerty and Tom Bulger met with Congressman Peter DeFazio, Chairman of the Subcommittee on Highways and Transit. Meeting topics included transportation funding — a possible per-barrel of oil fee was discussed.
- *Federal Transit Administrator Peter Rogoff*
MTC Commissioners and staff met with the Federal Transit Administrator’s Counsel, Dorvall Carter. They discussed, among other topics, the Oakland Airport Connector project.
- *Deputy Assistant Secretary for Policy (DOT) Beth Osborne*
MTC Commissioners and staff met with Deputy Assistant Secretary Beth Osborne. The meeting was focused on the DOT/HUD partnership, grant opportunities (Sustainable Communities Planning Grant), and MTC’s affordable housing/transit-oriented development revolving loan fund.
- *White House Livability Forum*
On behalf of Steve Heminger, Tom Bulger attended a forum at the White House titled: *Livability and Sustainable Communities — Taking Action for a Clean Energy Future*. Speakers included Transportation Secretary LaHood, Transportation Undersecretary Roy Kienitz, and HUD Deputy Secretary Ron Sims. They discussed the role of livable communities in clean energy and the new DOT/HUD/EPA partnership — specifically in the new Sustainable Communities Planning Grants overseen by Director of the Office of Sustainable Communities, Shelley Poticha.
- *MTC Joint Meeting with BART Board*
During MTCs March legislative trip the Commissioners convened with the BART board to discuss Bay Area matters.

March Briefings

Senate Environment and Public Works Committee Briefing

MTC Commissioners joined Bay Area partners from AC Transit for a briefing on the state of the transportation authorization as being addressed by Senate EPW. Also discussed were possible policy solutions offered by MTC. Kathy Dedrick, Senior Policy Director for Transportation and Tyler Rushfort, Counsel led the briefing.

House Transportation and Infrastructure Committee Briefing

Subcommittee on Highways and Transit staff, Todd Kohr, Director of Highway Policy, Amy Scarton, Counsel, and Jim Tymon, Minority Staff Director convened for a bipartisan briefing with MTC Commissioners, staff, and Bay Area partners AC Transit and CCTAA. Transportation authorization was the topic of the briefing — steps forward in the authorization process, and a focus on specific policies that the Bay Area would like to see in the next transportation bill.

Senate Banking, Housing, and Urban Affairs Committee Briefing

Mitch Warren, Bonnie Graves, and Beth Cooper, professional staff members, met with MTC Commissioners and staff, and Bay Area Partners AC Transit and CCTA in a briefing about the transit policies in the next authorization. The specific focus was the “livability” aspect of transit policy with a strong interest in MTC’s TLC program.